

UNIVERSITY OF SOUTH AUSTRALIA
SCHOOL OF GEOINFORMATICS, PLANNING & BUILDING

PROGRAM(S): **Bachelor of Construction Management & Economics & Diploma in Built Environment**

COURSE: **BUILT ENVIRONMENT 1 N**

EXAMINATION: **Internal Exam, Semester 1, 2001**

DURATION: **2.5 Hours of Exam time preceded by 10 minutes of Reading time, a total of 2 Hrs 40 Mins.**
For ENTEXT students 10 minutes of Reading time plus .5 Hours of Exam time, a total of 3 Hrs 10 Mins.

EXAMINER: Justin Cole

INSTRUCTIONS TO CANDIDATES:

- This exam is worth 50% of the total course marks
 - Attempt five questions, candidates to attempt either question one **or** question two and four other questions
 - All questions are of equal value
 - No reference materials are allowed. Calculator is allowed.
 - State any assumptions made
-

NOTES FROM EXAMINER: nil

Question 1.(a) Explain the general theory of the relationship(s) between prices, and supply and demand.

(b) Relate the foregoing to the construction industry with descriptions and sketches of the supply and demand curves; explain the likely effect on prices if there is **(i)** a surge in demand for industry services **(ii)** a surge in the number of industry suppliers, and **(iii)** a major restriction of the supply of an essential building component?

Complete your answer with an example from the housing industry

Question 2. Sketch the supply and demand curves and estimate the effect on prices, if the industry is operating efficiently and the Government, in an effort to increase industry activity,

(i) decides to open a major infrastructure project and limits the tenderers to local contractors, then, later

(ii) decides to have unrestricted access to contractors, and later still,

(iii) decides to reduce the scale of outstanding works dramatically.

Question 3.(a) Describe what is meant by the term “Gross Domestic Product” and the method of its measurement, taking care to describe what, in general terms, is included and what is excluded.

(b) Discuss why the “construction component” of the G.D.P. in any year is always less than the “value of construction work done” in the same period.

Question 4. Discuss, with reasons, your opinion on statement that “The construction industry is very important to the general economy of the nation, a healthy construction industry means a healthy economy”

Question 5. Describe how the following events may effect the construction industry in a local community, **(a)** a major event, a street parade or open air concert, **(b)** a major catastrophe, a flood, **(c)** a

sudden inward migration of people to work on a major infrastructure project, and **(d)** a sudden rise in interest rates.

Question 6. The construction industry is described as having three main sectors; describe, **(a)** these sectors, **(b)** their relative importance to the industry as a whole, and **(c)** the characteristics of the products in each sector and the companies who construct them.

Question 7. Describe the various ways in which construction companies are structured and discuss the advantages and disadvantages of each type of structure described; complete your answer with two examples involving a housing company which plans to **(a)** move into industrial construction and **(b)** operate in an adjoining state.

Question 8. Describe some the effects of government decisions on the construction industry, from its various position(s) as an economic manager, a regulator and as a client.

END OF QUESTIONS